

## **Abstract**

Employing Vector Error Correction Model (VECM), this dissertation aims to explore the principal influential factors of economic growth from external and internal perspectives. After extensive analysis and previous research, trade openness is the external factor considered, while financial markets and institutions are the internal ones. Based on the dataset of four typical fast-growing emerging economies——China, India, South Africa and Russian Federation, this study found that there is a significant long-term equilibrium among GDP growth, trade openness, financial markets and institutions in China, and bidirectional causality can be observed between trade openness and GDP growth. Regarding the remaining economies, there are two sets of long-term relationships among these variables, where internal factors concerning financial development are more crucial in these countries, which also significantly affect the trade volumes in the long run. Results from this research indicate that the dominant growth-enhancing factors are closely related with a country's policy, history, and the most importantly, the focus of its development strategy.